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Bottorff

THIS DISPOSITION IS NOT
CITABLE AS PRECEDENT OF THE TTAB MAY 9, 00

U.S. DEPARTMENT OF COMMERCE
PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

Rexnord Corporation
v.
Valu Engineering, Inc.

Opposition Nos. 94,922, 94,937 and 94,946
to application Serial Nos. 74/362,443, 74/363,569 and 74/363,384
filed on February 25, 1993

Fred Wiviott of Michael Best & Friedrich LLP for Rexnord Corporation

Darrell L. Olson of Knobbe, Martens, Olson & Bear, LLP for Valu Engineering, Inc.

Before Cissel, Quinn and Bottorff, Administrative Trademark Judges.

Opinion by Bottorff, Administrative Trademark Judge:

INTRODUCTION

Applicant filed three applications seeking registration of the configurations depicted below for goods identified,

in each application, as "conveyor guide rails."[1] The parties and witnesses have referred to the configurations depicted from left to right as, respectively, the ROUND, the FLAT, and the TEE configurations, and in this opinion we shall do the same.

In each of the applications, applicant has asserted a claim of acquired distinctiveness under Trademark Act Section 2(f), 15 U.S.C. 1052(f), and has provided the following "description of the mark" statement: "The mark consists of the cross-sectional shape of a conveyor guide rail."[2]

[1] It appears from the record that conveyor guide rails are components of a conveyor system whereby containers or other objects are moved. Guide rails are positioned along the length of the sides of the conveyor path to guide the containers or objects along the path and to keep them from falling off of the conveyor.

[2] From this description of the mark, it would appear that the drawings of the marks in each of the three applications fail to comply with the Office's rules regarding drawings. The cross-sectional shape of the guide rail would be solely the face of the cross-section. See, e.g., the cross-sectional depictions of applicant's guide rails on page 3 of its catalog (Exhibit 606). The application drawings, however, include not only the cross-sectional face of the guide rail design which is described in the description of the mark statement, but also depict, in

Opposer filed timely notices of opposition against each of applicant's applications, and the Board subsequently consolidated the three proceedings. In its amended notice of opposition pertaining to the consolidated proceedings, opposer alleged, as its grounds of opposition, that: the guide rail configurations depicted in each of applicant's applications are de jure functional and thus unregistrable (Count I);[3] that applicant was not the owner of the applied-

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perspective, a view along the length of the rail. Those perspective views are not part of the cross-sectional shape of the guide rail, and if applicant desires that they be included in the drawing of the mark, they must be depicted in dotted lines. See Trademark Rule 2.52(a)(2). In the event that applicant ultimately prevails in these oppositions, the application drawings should be amended to accurately reflect the respective marks.

[3] As one of the amendments to the Trademark Act implementing the provisions of the Trademark Law Treaty which became effective October 30, 1998, Section 2(e) of the Act, 15 U.S.C. 1052(e), has been amended to specifically incorporate the functionality doctrine as a basis for refusing registration. New subsection 2(e)(5) of the Act provides for refusal of registration if the mark "comprises any matter that, as a whole, is functional." This new statutory functionality refusal essentially codifies the de jure functionality doctrine that has developed under the case law. Because the new statutory basis for refusal applies only to applications filed after October 30, 1998, it is inapplicable in the present opposition proceedings. See generally Examination Guide No. 1-99 (September 29, 1999).

With respect to opposer's pleaded de jure functionality claim, we note that in Paragraph 8 of the amended notice of opposition, opposer alleged that "[a]pplicant's Marks are the configurations of goods which are not inherently distinctive and the Marks have not acquired distinctiveness and do not function as trademarks." This paragraph is pleaded as the last paragraph of the de jure functionality claim (Count I), even though it appears to be an attempt to allege a different ground of opposition, i.e., that the configurations are unregistrable because they are non-distinctive. The allegations of Paragraph 8 are not pleaded alternatively or hypothetically, vis-à-vis the rest of Count I. In any event, to the extent that opposer might have intended to assert non-distinctiveness as an additional ground of opposition, opposer has waived that claim by failing to

for marks at the time the applications were filed, and that applicant accordingly is guilty of fraud, inequitable conduct and concealment in claiming such ownership in the applications (Count II); and that applicant is guilty of fraud, inequitable conduct and concealment as a result of its failure to disclose to the Trademark Examining Attorney the existence of an abandoned utility patent application and a certain trade journal article.[4] Applicant answered the

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argue it in either its main brief or its reply brief. Accordingly, the distinctiveness of applicant's guide rail designs is not at issue in this case, and we presume, if the designs are not de jure functional, that they have acquired distinctiveness as asserted by applicant in its Section 2(f) claim in each of the applications. (Note: In view of the recent decision of the United States Supreme Court in *Wal-Mart Stores, Inc. v. Samara Brothers,* ___ U.S. ___ [54 USPQ2d 1065] (2000), it is clear that the product configurations applicant seeks to register cannot be deemed to be inherently distinctive.)

[4] The amended notice of opposition also included a claim, denominated Count IV, which alleged that applicant's guide rail configurations should be refused trademark registration because applicant's president allegedly made fraudulent claims in his 1981 patent application (since abandoned) involving the same goods. In footnote 4 to its summary judgment decision dated February 28, 1997, the Board ordered opposer's Count IV stricken on applicant's motion, noting that "[o]pposer cited no authority (and the Board is aware of no such authority) that an alleged fraud on the Patent and Trademark Office in a patent application (which never issued as a patent), constitutes a ground for opposition to a trademark application." In its main brief on the case, opposer has requested reconsideration of the Board's order striking Count IV. Opposer's request for reconsideration is **denied**, inasmuch as it is untimely under Trademark Rule 2.127(b). Moreover, we are not persuaded by opposer's "public policy" arguments, or by the only case cited by opposer in support of its request for reconsideration, *Elmer v. ICC Fabricating, Inc.*, 36 USPQ2d 1417 (Fed. Cir. 1995), that we should treat Count IV as stating a valid ground of opposition. Moreover, *see First International Services Corp. v. Chuckles, Inc.*, 5 USPQ2d 1628, 1635 (TTAB 1988)(trademark applicant's allegedly false representations to district court regarding the application at issue are not material to the issuance of a trademark

amended notice of opposition by denying the allegations thereof which are essential to opposer's claims.

The evidence of record in this case consists of the testimony depositions (and exhibits attached thereto) of opposer's officers and/or employees David Gruettner, Peter Ensch, Louis Counter and Michael Butler, opposer's patent expert Francis Even, and opposer's third-party industry witness Jacob McDaniel; the testimony depositions (and exhibits attached thereto) of applicant's president Stuart Ledingham, applicant's third-party industry witnesses Joseph Tucker, Robert Hay and John Klosterman,[5] and applicant's accountant Gary Boudreau; the discovery depositions (and exhibits attached thereto) of Stuart Ledingham, Harold Ledingham, Wayne Schink, Louis Counter, Peter Wallace and Peter Ensch, all of which were made of record pursuant to

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registration, and therefore they cannot serve as the basis of a fraud claim in an opposition proceeding involving the application).

The amended notice of opposition also included, as Count V, a claim that issuance of the requested trademark registrations would result in the grant to applicant of "a perpetual patent-like monopoly in useful features which the Patent and Trademark Office has determined to be unpatentable." The Board, in footnote 5 to its February 28, 1997 summary judgment decision, noted that Count V essentially relates to the de jure functionality claim of Count I. We have not considered Count V as a separate or additional ground of opposition in these cases.

[5] Opposer made objections in its brief to our consideration of the declarations of Robert Hay and John Klosterman, which were offered by applicant as Exhibits 602 and 605, respectively, to the testimony depositions of those witnesses. Applicant, at page 24 of its brief, has withdrawn those exhibits. Accordingly, opposer's objections are moot, and the Board has not considered the declarations.

the parties' stipulation; applicant's responses to certain of opposer's discovery requests, made of record by opposer under notice of reliance; and opposer's answers to certain of applicant's discovery requests, made of record by applicant under notice of reliance.

Both parties filed main briefs, and opposer filed a reply brief. An oral hearing was held at which counsel for both parties were present. In reaching its decision herein, the Board has carefully considered and given appropriate weight to all of the arguments and all of the voluminous evidence submitted by the parties.

DE JURE FUNCTIONALITY

A product configuration which is so utilitarian as to constitute the best design or one of a few superior designs for its purpose, so that competitors need to copy it in order to compete effectively, is de jure functional, and unregistrable. *See In re Morton-Norwich Products, Inc.*, 671 F.2d 1332, 213 USPQ 9 (CCPA 1982); *Greenhouse Systems Inc. v. Carson*, 37 USPQ2d 1748 (TTAB 1995); *In re Lincoln Diagnostics Inc.*, 30 USPQ2d 1817 (TTAB 1994). Factors which are relevant to the determination of whether a particular product design is de jure functional include (1) the existence of a utility patent that discloses the utilitarian advantages of the design, (2) advertising materials in which

the originator of the design touts the design's utilitarian advantages, (3) the availability to competitors of functionally equivalent alternative designs, and (4) facts indicating that the design results in a comparatively simple or cheap method of manufacturing the product. *In re Morton-Norwich Products, Inc., supra*.

Before we reach our analysis of the *Morton-Norwich* factors in this case, several preliminary issues require discussion. The first such issue involves the nature of applicant's "conveyor guide rails." Opposer argues that applicant's guide rails are in reality designed for and frequently used on conveyor systems installed in the so-called "wet areas" of bottling and canning plants, i.e., areas which are subject to daily cleaning with corrosive chlorine-based solutions, and that our de jure functionality analysis accordingly should take this fact into account. Conversely, applicant argues that its identification of goods is unrestricted as to the applications for which, and the industries in which, its conveyor guide rails are used, and that our de jure functionality analysis accordingly should not be limited to or focused on any particular industry or application.

We agree with opposer. A finding of de jure functionality does not depend on a finding that applicant's design is de jure functional as applied to all possible

industries and applications which might be encompassed by the identification of goods. Rather, if applicant's designs are found to be de jure functional as applied to conveyor guide rails used in any of the applications or industries covered by the identification of goods, then applicant's designs are de jure functional and must be refused registration. Applicant's identification of goods is broad enough to encompass conveyor guide rails used in the wet areas of bottling and canning plants. It appears from the record that conveyor guide rails used in wet areas of bottling and canning plants must meet certain functional requirements which do not necessarily apply to guide rails used in other industries or applications. It is appropriate to take those special requirements into account in determining whether applicant's designs are de jure functional, and we have done so in this case.

The second preliminary issue which must be resolved before we can undertake our analysis of the *Morton-Norwich* factors is the precise nature of the marks applicant seeks to register. As noted above, in each application applicant has described its mark as follows: "The mark consists of the cross-sectional shape of a conveyor guide rail." It is unclear from this description precisely what applicant is claiming as its mark in each application, i.e., whether applicant's mark in each case consists of merely the outline

or silhouette of the external perimeter of the guide rail cross-section, or whether it also includes the cross-sectional configuration of the metal and plastic components of the guide rail, including their relative proportions and the manner in which they are joined.

It appears from the drawings of the marks in the applications, which include the cross-sectional internal details of the guide rail design, that applicant's claims are not limited to the shape or silhouette of the external perimeter of the guide rails. Furthermore, we note that several of the hypothetical "alternative designs" of what are presumably non-infringing guide rails, drawn by applicant's president and submitted as Exhibit 611, have the same external perimeter silhouettes as the subject guide rails depicted in applicant's applications. They differ from applicant's subject guide rails, and from each other, only with respect to the configuration of their internal components.

In view thereof, we presume that the designs applicant seeks to register, and in which applicant is claiming exclusive trademark rights, are not limited to the silhouettes of the external perimeters of its guide rails. Accordingly, in conducting our de jure functionality analysis, the Board shall consider the functionality of the guide rail designs in terms of all of the components and

features depicted in the drawings of the respective marks, not just the external perimeter silhouettes or shapes of the respective guide rails.

One final point must be noted before we commence our analysis of the *Morton-Norwich* factors. In response to the Trademark Examining Attorney's de jure functionality refusal in each application, and in the course of arguing that the overall design of each of the guide rails is arbitrary, applicant asserted as follows:

> An aspect of the shape which might be considered dictated by function is the width and slope of the wear surface, which can either be wide and flat to increase contact, or can be narrow and rounded to decrease contact, with the passing objects. The fact that one aspect of the design is functional, however, does not render the overall design functional. See In re Chesebrough-Pond's, Inc., 224 USPQ 967 (TTAB 1984) and Fuddruckers, Inc. v. Doc's B.R. Others, Inc., 826 F.2d 837 (9th Cir. 1987). Because the remainder of the shape of the guide rail is not dictated by functional requirements, the design of the subject rail is non-functional.

The record in this opposition proceeding bears out applicant's above-quoted concession that there is a competitive need to use conveyor guide rails which have the same contact surfaces as those depicted in the subject applications, i.e., a round contact surface, a flat contact surface, and a wider flat contact surface such as that provided by applicant's TEE guide rail design. Accordingly,

those components of the shapes of applicant's respective guide rails, i.e., the contact surface profiles, are de jure functional. What remains to be determined is whether applicant is correct in its above-quoted contention that "the remainder of the guide rail [in each application] is not dictated by functional requirements."

The first *Morton-Norwich* factor to be considered is whether there is a utility patent which discloses the utilitarian advantages of the design sought to be registered as a trademark. In this case, applicant's president Stuart Ledingham filed an application on August 10, 1981 for a utility patent covering the ROUND guide rail.[6] The testimony in this case establishes that even though the patent application specifically refers to and depicts the ROUND guide rail design, the scope of the patent application is sufficiently broad that any utilitarian advantages revealed therein also would apply to applicant's FLAT and TEE guide rail configurations. (S. Ledingham Testimony Depo. II at p. 117; Even Testimony Depo. at pp. 14-25.)

After the patent application was rejected by the Patent and Trademark Office on the basis of obviousness, applicant's president abandoned the patent application, and no utility patent was issued to applicant. However, the

[6] Patent application Serial No. 291424; see S. Ledingham Discovery Depo., Exhibit 42.

fact that the applied-for utility patent was never issued does not detract from the evidentiary significance of the statements and claims made in the patent application to our de jure functionality analysis under *Morton-Norwich*. *Cf. In re Babies Beat Inc.*, 13 USPQ2d 1729 (TTAB 1990). Applicant does not contend otherwise. Accordingly, for purposes of our *Morton-Norwich* analysis, we have considered the statements and claims made in applicant's patent application to the same extent as if a utility patent had issued from the application.

Viewing the patent application itself, and considering the statements made therein in the context of the other evidence of record relating to conveyor guide rail design principles, we find that the patent application discloses certain utilitarian advantages of applicant's guide rail designs, and that those advantages inhere in and result from the shape of the guide rail designs. We note that Figure 1 of the drawings in the patent application, reproduced below,

depicts a guide rail cross-sectional configuration which is essentially identical to the guide rail cross-sectional

configuration depicted in applicant's ROUND trademark application. As discussed above, the testimony in this case shows that the design advantages disclosed by the patent application also inhere in applicant's FLAT and TEE guide rail designs.

In the portions of the patent application entitled "Background of the Invention" and "Description of the Prior Art," it is stated:

> The prior art does not disclose any design or invention which overcomes all of the disadvantages which are overcome in part by certain examples of the prior art.

(Patent App., p. 4.) Opposer's patent expert, Francis Even, testified as follows regarding the significance of this statement:

> **Q**. And what's the purpose of that sentence normally in a drafting of a patent application?
> **A**. Well, it's a kind of allegation that says, in effect that the prior art may have been barking around the general objective, but it never got there in a single structure.
> **Q**. Does that have any implication with respect to the invention that's disclosed in the patent application?
> **A**. Well, he's trying to say that the prior art doesn't serve the purpose of what's shown in this application.

(Even Testimony Depo., p. 27.) Similarly, it is stated in the "Description of the Prior Art" section of the patent application that:

> While Fauth [a prior guide rail patent, #3,491,873; see S. Ledingham Disc. Depo., Exhibit 45] was an advance over the prior art in certain respects, it did not have the combination of strength, relatively low manufacturing cost, low maintenance requirement, low friction and other ideal characteristics of the ideal guiderail.

(Patent App., p. 3.) In the context of applicant's president's patent application, the clear implication of this statement is that, unlike the prior art guide rail designs, applicant's guide rail design is believed to be a successful combination of these "ideal characteristics of the ideal guiderail."

In addition to these general assertions in the patent application of the superiority of applicant's guide rail design, the patent application also discloses certain specific advantages of applicant's design. First, applicant's guide rail design features "a composite cross-section" comprising a metal sheath and a plastic bumper. (Patent App., pp. 8, 12.) According to the patent application, guide rails formed from a composite of materials have advantages over guide rails fabricated from just one material. (Patent App., p. 2.)

A second utilitarian advantage of applicant's guide rail design which is disclosed by the patent application is the symmetry of the metal sheath which contains the plastic

bumper.[7] Compared to an asymmetrical sheath design in which the vertical members of the sheath are of different lengths, such as is depicted in several of applicant's hypothetical alternative guide rail designs (Exhibit 611), a symmetrical sheath design provides a utilitarian advantage by virtue of its superior strength and stiffness, its superior bendability, and its superior ability to capture and contain the plastic bumper. (Ensch Testimony Depo. II, pp. 15-18.)

A third advantage of applicant's guide rail design, as disclosed by the patent application, is the manner in which the plastic and the metal components of the guide rail are tightly mated together, resulting in a smooth and sanitary surface. "… Accordingly, the arc of the top of the cap of the mushroom begins as an extension of the outside surface of the U so that there is no place for dirt to be caught in the outside surface in the composite guiderail." (Patent App., p. 6.) "The mating of the U 12 with the bumper 14 in the shape shown and claimed yields a structurally strong, smooth and sanitary, cosmetically appealing composite

[7] See, e.g., the patent application at page 8, lines 6-8: "The first member of the composite is a hollow generally U-shaped stainless steel, strong, support and coupler 12 which is symmetrical about an axis." (The numeral 12, and other numerals appearing in text quoted from the patent application, refer to the numerals depicted in Figure 1 of the patent application drawings, reproduced above at page 12.) See also Claim No. 1 of the patent application, at page 12, lines 5-6: [The metal sheath is] "a hollow, generally U-shaped strong symmetrical support and coupler." The plastic bumper portion of the guide rail also is of a symmetrical design. See Patent App. Claim No. 1, at page

requiring no special fasteners." (Patent App., p. 9.) "The shape disclosed leaves substantially no space for the settling of dirt or the retention of dirt." (Patent App., pp. 9-10.)

Another important utilitarian advantage of applicant's guide rail design which is disclosed by the patent application is the tapered or "dovetail" shape of the metal sheath resulting from the converging planes of the sheath's vertical members, and the correspondingly tapered shape of the base of the plastic bumper contained within the sheath.[8] The tapered shape, and the manner in which the plastic and metal are mated within it, result in a design which is structurally strong and in which the plastic bumper is securely contained within the metal sheath without requiring any special fasteners. See the patent application, at p. 9: "The mating of the U 12 with the bumper 14 in the shape shown and claimed yields a structurally strong, smooth and sanitary, cosmetically appealing composite requiring no

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12, lines 12-13: "a generally mushroom shaped cross-section bumper symmetrical about the axis of the U …"

[8] See, e.g., the patent application at page 8, lines 9-13: "The two vertical members 30 of the U 12 generally converge as a function of increasing distance from the base 32 of the U 12. Accordingly, the distance between the vertical members 30 decreases as the tips 28 of the U 12 vertical members 30 are approached." See also the patent application at page 8, lines 19-22: "The portion of the surface of the base 16 of the mushroom 14 adjacent the cap 18 is parallel to and mates with the interior surface of the vertical members 30 of the U 12 adjacent the tips 28."

special fasteners." See also the testimony of opposer's patent expert, Francis Even:

> From the strength aspect, the flanges of the channel, the U-shaped channel, are bent somewhat inwardly; that is, they are bent beyond the right angle position and are said to converge toward one another. The stem portion of the bumper, of the mushroom-shaped bumper, is held – it is similarly shaped with converging sides, if you will, or sides which, if extended, converge somewhere upwardly of the bumper, and they, in general, match the inward slopes of the flanges of the guide rails so that once installed, they are captured in – the bumper is captured in place by the seizing of its stem by the flanges of the U-shaped rail. That physical association is said to give the composite its strength.

(Even Testimony Depo., pp. 10-11.)

Applicant's own catalog touts the strength of this dovetail-shape design feature: "The structural shape of the stainless steel gives it the required strength for heavy side loads at any speed." (Exhibit 1 to applicant's responses to opposer's Requests for Admissions, at Bates No. 000002.)

In addition to the strength inherent in the tapered dovetail shape of applicant's guide rail design, the shape is advantageous because it securely connects the plastic and the metal members of the composite guide rail, without requiring any special fasteners. Applicant's president testified that the concept behind the invention disclosed in his patent application:

> was the ability to connect a plastic profile in a steel backing or steel sheath, and it was an adaptation, I guess, of the industry predecessor, which was the aluminum extruded profile and UHMW [ultra high molecular weight polyethylene, also sometimes referred to herein as plastic] insert. And the industry lacked the ability to connect sufficiently a steel section with a plastic profile, so this represented a unique way to do that. … In my mind this is the first guide rail available that connected a formed piece of metal to a piece of plastic, where the plastic was captured by the piece of metal. … The connection is that the part within the steel is bigger than the opening in the steel, and if you turn it upside down in the configuration, as it's shown now [in Figure 1 of the patent drawings], the plastic won't fall out. Therefore, it's connected.

(S. Ledingham Testimony Depo. I, p. 49; S. Ledingham Testimony Depo. II, pp. 114-116.) Likewise, opposer's third-party industry witness Jacob McDaniel testified that the subject guide rail design consists of "a piece of 12-gauge [steel] formed in a U-shape with a piece of hyfax [plastic] that is captivated by that U, so it can't come out. … [The sides of the metal U] are slanted inward so as to clamp the edge of [the plastic]. (McDaniel Testimony Depo., p. 7.)

This secure connection between the plastic and the metal components of a composite guide rail is necessary to prevent the plastic and metal from separating when the guide rail is bent. There typically are many bends and turns in a conveyor system, and the conveyor guide rail accordingly

must be able to be formed and bent to follow the conveyor path. Unless the plastic member of the guide rail is adequately secured to the metal member, the plastic member and the metal member may separate as a result of the bending of the rail, an undesirable outcome. With applicant's dovetail guide rail design, the plastic will not separate from the metal sheath when the guide rail is bent because the plastic is securely captured by the metal sheath. See, e.g., Ensch Testimony Depo. II, pp. 5-7; Counter Testimony Depo., pp. 10-12; Butler Testimony Depo., pp. 24-25. See also one of applicant's advertisements: "Our guide rail comes to you 'Pre-Assembled' and is easily formed for corners and turns without damage to the plastic. Forget wrestling with stubborn aluminum shapes or ill-fitting plastic covers … Valu Guide makes it easy for you!" (Applicant's responses to opposer's Requests for Admissions, Exhibit 15, page 1.)

The patent application also discloses that the dovetail-shape feature of applicant's guide rail design is advantageous because it allows the guide rail's plastic component to be secured to the metal component without the need for any special fasteners. See patent application, page 9, lines 22-24: "The mating of the U 12 with the bumper 14 in the shape shown and claimed yields a structurally strong, smooth and sanitary, cosmetically appealing

composite requiring no special fasteners." Applicant also touts this advantage in its advertising and promotional literature: "Our UHMW-PE insert fits snugly into the stainless steel sheath…" (applicant's responses to opposer's Requests for Admissions, Exhibit 1, Bates No. 000002); "no special fasteners" (applicant's responses to opposer's Requests for Admissions, Exhibit 3). As discussed *infra* in connection with the availability of alternative designs, this feature of applicant's design is a significant advantage over other designs which require that the plastic be specially clamped or otherwise fastened to the metal.

One final point requires discussion with respect to the dovetail feature of applicant's guide rail design. Applicant has argued that opposer has no competitive need to be able to make and sell a guide rail which fits into applicant's mounting brackets and clamps. (The record shows that applicant's brackets and clamps are of a tapered design which is complementary to the dovetail shape of the base of applicant's guide rails; many of applicant's other conveyor components also fit these brackets and clamps.) To the extent that applicant, by this argument, is contending that it has a right to exclude opposer (or others) from making and selling guide rails with dovetail-shaped bases which would fit into these tapered brackets, we disagree.

There is nothing in the record which indicates that applicant has any proprietary rights in the tapered brackets, or in the dovetail shape, per se. Indeed, it appears from the record that applicant is not the only manufacturer using the dovetail design feature in its guide rails; that shape also is used by opposer, by Nolu Plastics and by Pobco Plastics. We note that Efson, a competitor of applicant's which sells a guide rail which does not use the dovetail shape, states in its catalog (in an excerpt quoted by applicant at page 31 of its brief, albeit for a different purpose) that its rectangular C-channel guide rail design "has more structural rigidity than **conventional** 'tapered' rail designs." (Exhibit 610, page 2. Emphasis added.) We reasonably presume from this use of the term "conventional" in the trade literature that the tapered dovetail shape is commonly used in the industry, and perhaps is an industry standard. Such use of the dovetail shape by third parties is evidence of the utilitarian functionality of that design feature. *See In re R.M. Smith, Inc.,* 219 USPQ 629 (TTAB 1983), *aff'd*., 734 F.2d 1482, 222 USPQ 1 (Fed. Cir. 1984).

In short, the patent application discloses several utilitarian advantages of applicant's guide rail design. The design features a two-part composite construction, which is said to have advantages over a single-material construction; it is a symmetrical design, resulting in

enhanced strength and bendability; the plastic and the metal are tightly mated together, resulting in a sanitary design; and the dovetail-shaped base of the guide rail design provides strength and bendability, secures the plastic and the metal components of the rail without the need for special fasteners, and enables the guide rail to be mounted with tapered brackets.

Applicant argues that the utilitarian advantages disclosed by the patent application are not the result of, or dictated by, the shape of the guide rail, and that the patent application therefore is not probative evidence on the question of whether that shape is de jure functional. We disagree. The patent application itself identifies the shape of the guide rail as a contributing factor to the design's utilitarian advantages: "The mating of the U 12 with the bumper 14 **in the shape shown and claimed** yields a structurally strong, smooth and sanitary, cosmetically appealing composite requiring no special fasteners." (Patent App., page 9, lines 22-24. Emphasis added.) Likewise: "**The shape disclosed** leaves substantially no space for the settling of dirt or the retention of dirt." (Patent App., pp. 9-10. Emphasis added.) Moreover, the features of applicant's guide rail design which result in these utilitarian advantages, and their shapes, are all

specifically depicted in the drawings of the designs applicant seeks to register as trademarks.

For the reasons discussed above, we find that the first *Morton-Norwich* evidentiary factor weighs in favor of a finding of de jure functionality.

The next *Morton-Norwich* factor to be considered is whether applicant's advertising materials tout the utilitarian advantages of applicant's guide rail design. We find that they do. The exhibits to applicant's responses to opposer's Requests for Admissions include examples of applicant's literature, in which the following statements appear (emphasis added):

> Our design starts with a 14 gauge stainless steel sheath to provide a rigid streamline support for the UHMW-PE insert. **The structural shape of the stainless steel gives it the required strength for heavy side loads at any speed.** Since stainless steel is so corrosion and chemical resistant, it maintains that "new" appearance year after year.
> …
>
> **Our UHMW-PE insert fits snugly into the stainless steel sheath** and is designed to provide the *ultimate in container protection*. The very low friction characteristics of UHMW-PE allow containers to move at high speeds with less drag. Less drag means reduced container damage and reduced noise. **ValuGuide also "outlasts the competition" by putting more material where it counts.**

(Req. For Admissions responses, Exhibit No. 1, Bates No. 000002.) The strength resulting from the structural shape

of the stainless steel, and the snug fit between the plastic and metal, were discussed *supra* in connection with the patent application. The last sentence of the above-quoted excerpt touts the greater cross-sectional amount or thickness of the plastic used in applicant's guide rail design, which results in the superior durability of applicant's design, vis-à-vis competing designs. *See* S. Ledingham Discovery Depo., pp. 62, 72.)

Applicant's advertising materials go on to state (emphasis added):

> **Easily Formed – ValuGuide can be quickly and easily formed to practically any radius without distortion of the rail shape or damage to the insert**. This is very simply achieved by the use of contour rollers on a three roll bending machine. The contour rollers trap the stainless sheath during the bending of the radius while protecting the insert from damage. Large and small radius turns, including offsets, can be produced to exceed the highest of industry standards in both quality and appearance. … Speed, accuracy and quality of finished product **cannot be matched by other rails** or bending methods.

(Req. For Admissions responses, Exhibit No. 1, Bates No. 000003.) As discussed above in connection with the patent application, the ease of bendability touted by applicant in this advertisement results from the symmetry of the guide rail design, as well as from the dovetail shape of the design. Contrary to applicant's arguments, the superior

bendability of the rail is attributed in this excerpt to the guide rail design itself, not just to applicant's bending equipment or technique.

As for the comparative strength of applicant's guide rail design, applicant's advertising states as follows:

> **ValuGuide vs. half round - ValuGuide was proven stronger** in tests performed by an independent testing lab in Anaheim, CA.

(Req. For Admissions responses, Exhibit No. 1, Bates No. 000007. Emphasis added.) The referenced tests compared ValuGuide rails to 1/2-inch round rail and to 3/4-inch and 5/8-inch half round rails. See applicant's responses to opposer's Requests for Admissions Nos. 34-35 and Exhibit 13 to applicant's responses to opposer's Requests for Admissions.

Other of applicant's advertising and promotional materials tout additional advantages of applicant's guide rail design: "Unequalled Quality – Preassembled - Easy to Install" (Req. for Admissions responses, Exhibit No. 1, Bates No. 000008); "Superior Performance - Economical – Versatile" (Req. for Admissions responses, Exhibit No. 1, Bates No. 000009); "'The' Conveyor Guide Rail - Accept Nothing Less! Easy to Install - Long Lasting – Versatile – Strong – Economical - Makes Half-Round Obsolete - Immediate Delivery" (Req. for Admissions responses, Exhibit 2);

"Unequalled Quality - Superior Performance - Easy to Install – Versatile - Cosmetically Appealing - No Special Fasteners - Preassembled – Economical - Immediate Delivery" (Req. for Admissions responses, Exhibit 3, Bates No. 000035); "The SUPERIOR GUIDE RAIL for all your conveyor needs! - Excellent for use with new or existing equipment - Many fastening methods" (Req. for Admissions responses, Exhibit 20);

> Our guide rail comes to you "Pre-Assembled" and is easily formed for corners and turns without damage to the plastic. **Forget wrestling with stubborn aluminum shapes or ill-fitting plastic covers. Valu Guide makes it easy for you!**

(Req. for Admissions responses, Exhibit 15, page 1; emphasis added);

> **Capable of being formed to almost any radius without distortion**, this polyethylene/stainless steel guide rail **is stronger and longer lasting than plastic covered ¾ half round stainless steel.**
>
> **A stainless steel sheath surrounding an ultra high molecular weight polyethylene insert combine to form a long-life guide rail that costs substantially less than solid ¾ half-round stainless steel with plastic cap.** The polyethylene contact surface's low friction characteristics allow products to move at higher speeds with less drag. Less drag means reduced product damage, reduced noise levels and potential energy savings.
>
> **Superior Strength – More than ½ in. thick, the polyethylene insert lasts much longer than thin plastic covers on ¾ half round stainless steel. The structural shape of the 14 gauge #304 stainless steel sheath gives the rail superior strength required for heavy side loads. This strength was proven in tests**

> **performed by an independent testing lab against ¾ half-round stainless steel.**
>
> Bending Machine – **The guide rail can be formed to almost any radius without distortion of the rail shape or damage to the insert.** This is achieved by the use of contour rollers on a three roller bending machine, which can be either rented or purchased. The contour rollers on the small, hand-operated machine trap the stainless steel sheath during the bending of the radius, while protecting the insert.
>
> Typical applications for the guide rail include table top conveyors, cable and gravity track systems. The rail provides excellent protection for glass, metal, plastic or composite containers. **The guide rail is actually more sanitary than plastic covered ¾ half round stainless steel, because tight bonding of the stainless steel sheath to the polyethylene insert does not provide any gaps or crevices in which bacteria can develop.**

(Req. for Admissions responses, Exhibit 18; emphasis added).[9]

Thus, applicant's advertising and promotional materials include several statements which expressly tout applicant's design as superior to competing designs. Moreover, even where the advertisements do not specifically claim that

[9] This last-quoted item is an article in the January 1983 issue of the trade magazine Food Engineering. See applicant's response to opposer's Request for Admissions No. 46. In its brief, applicant has objected to our consideration of the statements made in this article, on the ground that those statements were made by a third party, i.e., the magazine, and not applicant, and that they accordingly are hearsay. However, as opposer has pointed out, the statements published in the magazine about applicant's guide rails were based on information provided to the magazine by applicant. Moreover, applicant's president admitted during his deposition that he does not disagree with any of the statements contained in the article. In view thereof, applicant's hearsay objection is **overruled.**

applicant's design is superior to other designs, they nonetheless tout the utilitarian advantages of applicant's particular design, and they thus are probative evidence under this *Morton-Norwich* factor. *See In re Edward Ski Products Inc.,* 49 USPQ2d 2001, 2004 (TTAB 1999); *In re Witco Corp.*, 14 USPQ2d 1557, 1559-60 (TTAB 1989); *In re Babies Beat, Inc., supra*, 13 USPQ2d at 1730. Many of the functional advantages touted in applicant's advertisements, such as the guide rail design's durability, strength, bendability, ease of installation, and economical cost, are the result of features of the cross-sectional shape of the guide rail design which are explicitly depicted in the trademark application drawings, e.g., the respective cross-sectional quantities of plastic and metal, and the dovetail shape in which the metal and plastic components are mated.

In short, we find that applicant's touting of the utilitarian advantages of its guide rail design in its advertising and promotional materials is evidence of the de jure functionality of the design, under the second *Morton-Norwich* factor.

The third *Morton-Norwich* factor in this case is whether commercially viable, functionally equivalent alternative guide rail designs are available to competitors. Two preliminary issues require discussion. First, applicant's

president, throughout his testimony deposition, maintained that other guide rail designs should be deemed to be "functional equivalents" to applicant's subject rail designs so long as they presented, to the objects passing on the conveyor, the functional round (or point), flat or wide-flat contact surfaces that are presented by applicant's subject guide rail designs. However, viewing the record as a whole, we find that this definition of "functional equivalents" is too narrow because it does not take into account the other requirements which must be met by a conveyor guide rail, especially a guide rail intended to be used in the wet areas of bottling and canning plants. The record shows that such design requirements would include strength and stiffness, durability, ease of bending/forming, ease of installation, cleanliness, cleanability/corrosion resistance, economical manufacturing cost, and compatibility with existing tapered brackets. We have taken these factors into account in our determination of whether commercially viable, functionally equivalent guide rail designs exist.

The second preliminary issue to be discussed involves the proper method of counting the number of alternative designs. In its brief, applicant has identified the following as functionally equivalent alternative guide rail designs which are currently available on the market: round and half-round steel bar with plastic snap-on; flat steel

bar with full plastic snap-on; flat bar with edge plastic snap-on; plastic J-clip snap-on; plastic dogbone; roll-formed steel C-channel with plastic insert; aluminum extrusion with plastic insert; steel rods embedded in plastic; and angle guides. Applicant contends that each of these alternative basic guide rail designs may be produced in an essentially unlimited number of different cross-sectional configurations, and argues that all of those possible different cross-sectional configurations of the basic designs are viable alternative designs.

We disagree. Rather, we are persuaded by opposer's argument that the record shows only a limited number of basic guide rail designs, and that the variations within those basic designs should not be counted as "alternative designs" for purposes of the third *Morton-Norwich* factor. *See Greenhouse Systems Inc. v. Carson, supra,* 37 USPQ2d at 1754; *In re Lincoln Diagnostics, supra*, 30 USPQ2d at 1824. The variations within the basic guide rail design formats clearly are dictated solely by function; they result merely from differences in the size or dimensions of the particular guide rails, or from differences in the functional applications of the particular guide rails. See, e.g., the testimony of applicant's third-party witness Mr. Tucker:

> **A.** … You basically have some sort of a device that carries the rail material. The rail material that fits on it could, you know

> – we saw some that were a particular dimension, you could have little ribs in it, you could have other ones that have unusual configurations with respect to how wide the area is where it contacts the container. You can have rounds with ridges on them. There's any variation of these different surfaces that contact the container that would be – that could be different than the ones that have been shown here.
>
> **Q**. They put those little nubs on and little things that you've drawn on, they put those on there to do a specific job; is that right?
>
> **A**. I would assume so.
>
> **Q**. They don't put them on for looks, do they?
>
> **A**. I would assume not. I would assume they would be for a specific purpose.

(Tucker Testimony Depo., p. 35.) Similarly, Mr. Tucker also testified as follows:

> **Q**. So what you're saying is it's possible that you could take these guide rail configurations, for example, the configurations on Page 6 of Exhibit 582, you could take this and make various combinations and come up with different designs; is that what you're saying is possible?
>
> **A**. Yeah. Just for example, on this page here, which is Page 6, there are 13 different configurations here basically on the same carrier rail. The face of this piece here happens to be 2 and an eighth. It could be 2, it could be 3, it could have a little ridge on the ends. You could do whatever you needed to do with the face of this material and snap it onto this basic carrier. Now, you can take all these different shapes and apply them to a carrier of a different shape. So I guess what I'm trying to say is that there's a thousand ways one could configure, not only the plastic that goes on the face of it, but the carrier that holds it. And you're asking me to give you specific companies that I recall that are not here, but I can tell you that the file

> cabinet we had on guide rails and chains was several drawers deep at IAC with choices.
>
> **Q**. So what you're saying is that your speculation that there could be "thousands" of different guide rails is based on the assumption that you could change the front face of the plastic piece to look different than we have on this page, for example, and that would be done because it would perform a special function of some kind.
>
> **A**. You got it, exactly.
>
> **Q**. And the same thing is true with the metal piece, you could change that piece if you were mounting it in a different way.
>
> **A**. Yes, sir.

(Tucker Testimony Depo., pp. 40-41.) See also Ensch Testimony Depo. II, pp. 69-75.

In short, in considering whether there are functionally equivalent alternative designs available to competitors, we have not separately considered or counted those configurations which differ from each other only in terms of their size or their functional application. Instead, we have looked at the basic design types identified by applicant in its brief, as listed above.

The record shows that several of these other basic guide rail designs are not viable commercial alternatives to applicant's guide rail design. For example, due to the amount of steel required, round and half-round guide rails are so much more costly than applicant's subject guide rails that they have been "superseded" and made "obsolete" by applicant's subject guide rails. (McDaniel Testimony Depo., p. 48; Klosterman Testimony Depo., pp. 50-51; Hay Testimony

Depo., pp. 64-65.) Moreover, applicant's guide rails not only cost less but also are stronger than 1/2-inch round rail and 5/8-inch or 3/4-inch half-round rail. See applicant's responses to opposer's Requests for Admissions Nos. 34-35, and Exhibit 13 to applicant's responses to opposer's Requests for Admissions. Thus, rounds and half-rounds are not commercially viable alternatives to applicant's subject guide rail design.

Likewise, guide rail configurations such as the Pobco aluminum guide rails depicted on pages 6-7 of Exhibit 582 are not viable alternatives to applicant's guide rail design. In applicant's subject guide rail design, the metal sheath component takes a simple but strong shape and comprises a relatively small proportion of the guide rail's cross-section. The metal component of applicant's guide rail therefore can be easily and economically fabricated from stainless steel. By contrast, the cross-sectional size and complexity of the metal components of the referenced Pobco and similar guide rail designs make it uneconomical and indeed impracticable to fabricate those guide rails from stainless steel. Instead, the metal components of such guide rails must be made of aluminum or aluminum alloys which, unlike stainless steel, are not sufficiently corrosion-resistant to be suitable for use in the wet areas of bottling and canning plants, which must be washed down

daily with a corrosive chlorine solution. These facts are established by the testimony of most if not all of the witnesses, and also by applicant's president's statements in his patent application.[10]

Moreover, we are not persuaded by applicant's argument that this inherent deficiency of aluminum guide rails such as those depicted in the Pobco catalog can be cured by anodizing the aluminum. Applicant's president admitted that

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[10] Indeed, we note that many of the Pobco designs cited by applicant as viable alternative designs are quite similar to the guide rail depicted in the Valentino patent, which was described in detail as inferior prior art by applicant's president in his patent application. The prior art guide rail design depicted in the Valentino patent, #3,788,456, is reproduced below:

Applicant's president, at pp. 3-4 of his patent application, stated:

> While Valentino discloses a guiderail which is strong and relatively low friction, it is very unsanitary in that a mounting groove 28 traps substantial amount of unsanitary material with consequent disadvantages. In addition, because the metal bar 20 is so large in cross-section, the Valentino design is prohibitively expensive.
>
> Because of the extremely large cross-section of the metal bar, it is preferably made of aluminum or an aluminum alloy, and accordingly, is not corrosion free to the extent other materials such as stainless steel are. Design of the Valentino metal bar 20, however, makes it practically impossible to fabricate the bar from material such as stainless steel because of the

the anodized coating could crack when the rail is bent or installed, thus compromising or eliminating the ability of the rail to resist corrosion. (S. Ledingham Testimony Depo. II, p. 147.)[11]

In short, we agree with opposer that the referenced Pobco aluminum guide rails are not commercially viable alternatives to applicant's subject guide rail designs.[12]

Moving on to the other alleged alternative designs identified by applicant, we find that the dogbone plastic extrusion is not a viable functional equivalent to

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complexity of the cross-section and the vast amount of machining which would be required.

[11] Additionally, we note that one of applicant's third-party industry witnesses, Mr. Hay, testified that "today they're changing many of those [washdown] solutions. They're lowering the chlorine and using what they call a biodegradable solution." (Hay Testimony Depo., pp. 54-55.) However, even assuming that use of a less-corrosive washdown solution would eliminate the corrosion problems inherent in aluminum guide rails and allow for their use in the wet areas of bottling and canning plants, there is nothing in the record from which we might determine that the use of these less-corrosive washdown solutions has become a normal or widespread practice in the industry.

[12] We are not persuaded by applicant's argument that because its trademark applications do not specify the type of metal to be used in applicant's rails, applicant might use aluminum in its rails and would thereby be competing directly with the aluminum rails of others. By the same token, however, nothing in the trademark applications precludes applicant from using stainless steel. More to the point, even if guide rails manufactured according to applicant's design might be made of either stainless steel or aluminum, it appears from the record that guide rails manufactured according to the designs depicted on pages 6-7 of Exhibit 582 can only be made of aluminum, and not of stainless steel, due to the size and complexity of the cross-sectional configurations of the metal components. Because guide rails made according to such designs cannot be fabricated from stainless steel, they cannot be used in the wet areas of bottling and canning plants, and thus they are not viable alternatives to applicant's subject guide rail design.

applicant's rail. The use of this design is limited by the fact that, unlike applicant's easily-adjustable rails, the distance between the two contact surfaces of the dogbone is fixed and cannot be adjusted. (Hay Testimony Depo., p. 27.) Also, it appears that the dogbone plastic extrusion must be riveted or otherwise fastened to a metal plate or bar in order to have the stiffness and strength required of a guide rail, and that its assembly and installation therefore is likely to be a more labor-intensive and/or expensive operation than would be the case with applicant's preassembled rail. (Hay Testimony Depo., pp. 63-64; Ensch Testimony Depo. II, pp. 31-32.)

Another alternative design cited by applicant is the roll-formed metal C-channel with plastic insert. However, there is testimony in the record which persuades us that installation of this C-channel rail may be more labor-intensive and thus more expensive than installation of applicant's rail. In the absence of special mounting brackets, mounting this guide rail involves removing the plastic insert from the metal C-channel, welding or otherwise fastening the metal C-channel to the conveyor machine, then reinserting the plastic into the metal C-channel. Moreover, the plastic must be fastened to the metal or otherwise secured, to prevent it from creeping

along the conveyor path as a result of contact with the passing containers. (Ensch Testimony Depo. I, pp. 44-45; Gruettner Testimony Depo., pp. 48-52; S. Ledingham Testimony Depo. II, pp. 132-37.)

As for J-clips and bar edge snap-ons, including those which are snapped or clipped onto L-shaped angle guides, the testimony of the witnesses is not in agreement as to whether these extrusions currently are used in the industry as guide rails, as opposed to wear strips or chain guides. We note that applicant's third-party industry witness Mr. Hay testified that these types of rails are not typically used as guide rails for bottles and cans, but rather for heavier items such as heavy auto parts. (Hay Testimony Depo., page 24.) However, even assuming that they are used as guide rails in the wet areas of bottling and canning plants, it appears that these plastic extrusions would have to be clamped or otherwise fastened to the metal bar in order to allow the rail to be bent and formed, and to prevent the plastic from creeping longitudinally along the conveyor path as a result of contact with the passing containers. By contrast, as disclosed by applicant's president's patent application and discussed at length previously in this opinion, the plastic in applicant's guide rails is captured by the metal sheath, with the subsequent advantage that no special fasteners are required.

Turning next to flat bar full snap-ons, there is little or no evidence in the record that this particular guide rail design is used or intended to be used in the wet areas of bottling and canning plants. Applicant's assertion at page 26 of its brief that Mr. Hay has used flat bar snap-ons in the wet areas of bottling and canning plants is not supported by the cited deposition excerpts. Moreover, for the application in which Mr. Hay in fact uses both flat bar full snap-ons and applicant's guide rails, i.e., in conveying automotive oil filters, it appears that the flat bar full snap-on rails and applicant's rails are not interchangeable, functional equivalents to each other, but rather that each is used for a different purpose:

> **Q**. Now, when you have a painted filter –
> **A**. Yes, sir.
> **Q**. – and you need a plastic rail; what rail do you use?
> **A**. We use one of two rails. We use the Valu Guide with the wide face, the TEE profile, or we use a quarter by one-inch carbon steel with a C-shaped clip-on. We buy the clip-on from – usually from Plastic Products, and the rail from our steel supplier.
> **Q**. Now, how do you decide which one of those to use?
> …
>
> **A**. Well, the can freshly painted, we use the Valu Guide more. Because we try to hit the can low, and the design of the Valu Guide rail and how it attaches to the guide rail bracket, allows us to get lower to the conveyor than we could with a flat bar design. It's actually how we hold the rail up is the correct answer.

> **Q**. So in certain applications when you have to hold the rail in a certain position you use the Valu Guide, is that right?
> **A**. Yes.
> **Q**. And when that's not a criteria, then you use the quarter-inch carbon; is that correct?
> **A**. Yes. Carbon steel rail with a C-shaped clip-on can be more economical than a Valu Guide, in that steel material is cheaper. Valu Guide has a formed stainless steel holder, so it's strictly a material difference in cost.
> **Q**. But the reason you choose one over the other depends on its application?
> **A**. Yes, sir.

(Hay Testimony Depo., pp. 39-40.)

The final commercially available alternative guide rail design identified by applicant as being functionally equivalent to applicant's subject guide rail design is Pobco's patented design which consists of a metal rod completely or partially embedded in plastic. However, this rail design with the metal is not as stiff as applicant's rail design employing the external steel sheath. (Ensch Testimony Depo. I, pp. 30-31, 58-61; Gruettner Testimony Depo., p. 117.) Moreover, Mr. Butler testified that this rail design is difficult to bend and difficult to mount. (Butler Testimony Depo., p. 9.)

In addition to the alleged alternative guide rails currently marketed by its competitors, applicant relies on the hypothetical guide rail designs drawn by its president and depicted in Exhibit 611. Alternative design evidence of

this nature has probative value where there is supporting evidence as to the comparable efficacy and manufacturing cost of the suggested alternatives. *See In re Lincoln Diagnostics Inc.*, *supra*, 30 USPQ2d at 1824 (TTAB 1994). Applicant's president testified on cross-examination that he has never built any of these designs, has never tested them as to their relative strength or cleanliness, has never cost analyzed them, has never tried to clamp them, and has made only mental determinations as to how they would be manufactured. Given this testimony, we have some doubts as to whether the necessary foundation for consideration of these hypothetical alternative designs has been laid.

However, even assuming that the foundation for this evidence has been adequately established, we cannot conclude on this record that the designs depicted in Exhibit 611 are commercially viable alternatives to applicant's subject guide rail designs. Rather, we are persuaded by the detailed rebuttal testimony of opposer's witnesses Mr. Ensch and Mr. Butler that most, if not all, of the designs depicted in Exhibit 611, assuming that they can even be fabricated on a commercial scale, are inferior to applicant's subject guide rails in one or more respects.

For example, unlike applicant's symmetrical guide rail design, many of the hypothetical rails depicted in Exhibit 611 are asymmetrical in design, i.e., the vertical members

of the metal sheath are not the same length on both sides of the rail. We are persuaded by opposer's witnesses' testimony that such asymmetry would adversely affect the strength and bendability of the hypothetical guide rails. Likewise, unlike applicant's subject rails, which require no special fasteners, many of the designs in Exhibit 611 would require the plastic and metal to be clamped or otherwise fastened together before the rail could be bent, and to prevent longitudinal creeping of the plastic. In this regard, we also are persuaded by opposer's witnesses' testimony regarding the difficulties inherent in attempting to clamp those of the rails in which one of the clamping surfaces is steel and the other is plastic, or in which one of the surfaces is straight and the other is angled.

In short, we have carefully considered all of the evidence and testimony of record regarding available guide rail designs in terms of these design criteria, and conclude, for the reasons discussed above, that applicant's guide rail design is the best, or one of a very few superior designs. *See In re Bose Corporation*, 772 F.2d 866, 227 USPQ 1 (Fed. Cir. 1985). Thus, this *Morton-Norwich* factor favors a finding of de jure functionality in this case.

The final *Morton-Norwich* evidentiary factor calls for a consideration of whether applicant's guide rail design

results in a comparatively simple or cheap method of manufacturing. We find that it does, and that this factor also weighs in favor of a finding of de jure functionality.

Applicant's roll-formed dovetail-shaped metal sheath design allows for the economical use of stainless steel as the metal component of the guide rail. Without sacrificing strength, the design provides the corrosion resistance advantage of stainless steel at a lower cost than other designs, such as rounds and half-rounds, which use more stainless steel in cross-section. Applicant's third-party witness Mr. Hay testified that:

> What Valu Guide did that was unique is they used a flat metal and roll-formed the holder, instead of using flat bar or bent metal or round mill-formed shapes. They roll-formed from flat stock, and that was a unique application. And I think it also cut some substantial price and made them competitive.

(Hay Testimony Depo., p. 28.) It is desirable and necessary to use stainless steel as the metal component of a guide rail in certain applications, such as in the wet areas of bottling and canning plants, and applicant's dovetail sheath design is a cheap, easy and effective way to fulfill that need, without sacrificing strength.

In summary, after carefully considering all of the evidence of record pertaining to the *Morton-Norwich* evidentiary factors, as well as the parties' arguments with

respect thereto, the Board finds that applicant's guide rail design is de jure functional and thus unregistrable. To an extent matched by none, or very few, of the alternative guide rail designs set forth in the record, the guide rail designs depicted in applicant's trademark application drawings simply and efficiently incorporate and combine the utilitarian advantages of the design which are disclosed by applicant's president's prior utility patent application and by applicant's own advertisements.

FRAUD/INEQUITABLE CONDUCT CLAIMS

We turn now to opposer's other pleaded grounds of opposition. Opposer claims that applicant's trademark applications are tainted by fraud and inequitable conduct in three particulars. First, opposer argues that despite the Trademark Examining Attorney's requirement in his initial office action in each application that applicant "submit any patents" pertaining to the subject guide rails, applicant not only failed to disclose that applicant's president had applied for a utility patent covering the ROUND guide rail design in 1981, but also affirmatively represented to the Trademark Examining Attorney that applicant had never applied for any patents covering the subject guide rails. Second, opposer claims that applicant failed to disclose and submit to the Trademark Examining Attorney a 1983 article

from the trade journal Food Engineering, despite the Trademark Examining Attorney's specific request for submission of any trade journal literature pertaining to applicant's guide rails. Finally, opposer argues that when applicant filed its application to register the ROUND guide rail design, applicant was merely a licensee, not the owner, of that design, and that applicant's claim of ownership in the application declaration was false and fraudulent.

As has been stated by the Board in numerous prior decisions,

> Fraud implies some intentional deceitful practice or act designed to obtain something to which the person practicing such deceit would not otherwise be entitled. Specifically, it involves a willful withholding by an applicant or registrant of material information or fact which, if disclosed to the Office, would have resulted in the disallowance of the registration sought or to be maintained. Intent to deceive must be "willful." If it can be shown that the statement was a "false misrepresentation" occasioned by an "honest" misunderstanding, inadvertence, negligent omission or the like rather than one made with a willful intent to deceive, fraud will not be found. Fraud, moreover, will not lie if it can be proven that the statement, though false, was made with a reasonable and honest belief that it was true or that the false statement is not material to the issuance or maintenance of the registration. It thus appears that the very nature of the charge of fraud required that it be proven "to the hilt" with clear and convincing evidence. There is no room for speculation, inference or surmise and, obviously, any doubt must be resolved against the charging party.

First International Services Corp., v. Chuckles, Inc., 5 USPQ2d 1628, 1634 (TTAB 1988), *quoting from Smith International, Inc. v. Olin Corp*., 209 USPQ 1033, 1043-44 (TTAB 1981), citations omitted.

We first shall discuss opposer's fraud claims involving applicant's non-disclosure to the Trademark Examining Attorney of the abandoned patent application and the 1981 trade journal article. By way of background, we note that, in his initial office actions in each of the three applications, the Trademark Examining Attorney made the following requirements:

> Applicant must provide literature pointing out the specific technical advantages of its arbitrary design, as opposed to the designs of competitors. Absent literature, an explanation is required. Applicant must also submit illustrations of competitive designs. … Applicant must submit any patents, and any trade journal literature, pertaining to its guide rails.

Applicant's responses to these office actions included the declaration of its president, drafted by applicant's counsel and signed by applicant's president. Paragraph 9 of the declaration in each case states as follows:

> To my knowledge, Valu Engineering has never obtained, or applied for, a utility patent relating specifically to the [FLAT, ROUND, TEE, respectively] guide rail product. I do not consider the shape to have any patentable features.

Additionally, in the written response to the office action in each application, applicant's counsel asserted:

> The applicant does not have any patents, nor pending patent applications, relating to the subject guide rail, nor has there been any trade journal literature written or published of which Applicant is aware of.

Applicant's president's declaration included, as exhibits, copies of certain of applicant's advertising and promotional materials which discuss applicant's guide rails, as well as catalogs from several of its competitors in the guide rail industry. However, neither the patent application nor the 1983 Food Engineering article pertaining to applicant's guide rails was provided to the Trademark Examining Attorney.

Turning first to the patent application, we find that applicant's statement in its response to the office action that it had never applied for a utility patent certainly is false with respect to the ROUND guide rail. Applicant concedes as much.[13] However, we reject opposer's contention

[13] It should be noted that the attorneys who filed and prosecuted the trademark applications on behalf of applicant, and who represent applicant in these opposition proceedings, did not represent applicant's president in connection with the 1981 patent application, and they were unaware of the existence of that patent application. In the course of preparing applicant's responses to the Trademark Examining Attorney's office actions, applicant's president informed applicant's counsel, upon the latter's inquiry, that applicant owned no patents covering the subject guide rail designs. He apparently was not asked about

that the statement also is false with respect to the FLAT and TEE guide rails. The drawings of the patent application clearly depict the ROUND rail only. Moreover, when the patent application was filed in 1981, the FLAT and TEE guide rail designs had not yet been developed. Although we have found the assertions and claims contained in the patent application for the ROUND guide rail to be highly relevant to our analysis of whether the FLAT and TEE guide rail designs are de jure functional, that finding is not relevant to opposer's fraud claim. We conclude that applicant's president's statements that applicant had never applied for a utility patent "relating specifically to" the FLAT and TEE guide rail designs are not false, and hence not fraudulent, and that opposer's fraud claim accordingly fails, to that extent. Thus, if opposer has a viable claim of fraud based on applicant's statements regarding the patent application, that claim would pertain only to the ROUND guide rail design.

Although we have found that applicant's statement that applicant had never applied for a utility patent covering the ROUND guide rail was false, we nonetheless conclude that

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the existence of any patent applications, and he did not inform applicant's counsel of the existence of the 1981 patent application. It is unclear from the record why applicant's counsel, when drafting the declarations for applicant's president to review and sign, included the more expansive assertion that applicant had never "applied for" a utility patent covering the guide rails.

opposer has failed to prove "to the hilt" that the statement also was fraudulent. First, the record lacks the requisite "clear and convincing" evidence that applicant's president's statement was made with the intent to deceive the Trademark Examining Attorney. Applicant's president testified that when he signed the subject declartion during prosecution of the trademark application, it had been ten years since the patent application was filed and four years since the patent application had been brought to his attention during applicant's 1989 infringement litigation against its competitor Nolu, and that he simply had failed to recall the existence of the patent application when he signed the declaration in late 1993.[14] Like opposer, we are somewhat skeptical as to this proffered explanation. However, we cannot conclude on this record that the explanation is clearly and convincingly untenable, and we accordingly cannot conclude that applicant's president made his statement with fraudulent intent.

Second, we conclude that opposer's fraud claim with respect to the patent application must fail because opposer

[14] Applicant suggests, in its brief on the case, that applicant's president may have failed to read the declaration carefully enough prior to signing it, and that he inadvertently overlooked the inaccurate statement concerning the absence of patent applications. However, any such failure to carefully read the declaration would not constitute a defense to opposer's fraud claim. *See, e.g., Smith International, Inc. v. Olin Corp., supra,* 209 USPQ at 1047; *Ets. Lardenois v. Lazarus*, 168 USPQ 604 (TTAB 1970).

has failed to prove "to the hilt" that applicant's president's statement that applicant had never applied for a utility patent covering the ROUND guide rail was material to the Trademark Examining Attorney's examination of the particular application involved herein, or to his decision to approve the mark for publication. Certainly, the existence of a patent application can be material to the issue of de jure functionality in the ex parte examination context, generally. *See In re Babies Beat Inc., supra.* Moreover, as discussed at length in this opinion, we indeed have found in the present opposition proceeding that applicant's president's 1981 patent application is material to our de jure functionality analysis and decision. However, the issue to be determined with respect to opposer's fraud claim in this case is not whether the patent application is material to the de jure functionality analysis, but rather whether the Trademark Examining Attorney's examination of the particular application involved herein was thwarted or otherwise materially affected by applicant's president's statement that there had been no patent applications covering the subject guide rail. We find that it was not.

Initially, we note that the Trademark Examining Attorney, in his office action, had not even asked applicant whether any utility patents had been applied for; he

required only that applicant "submit any patents." Thus, applicant had no duty to disclose the existence of the patent application, and indeed could have remained silent on the question without committing fraud. Applicants for trademark registrations do not have the same duty of candor to the Office that patent applicants bear. *See* J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition, §31:65 (4th Ed. 1998). *See also Societe Civile Des Domaines Dourthe Freres v. S.A. Consortium Vinicole De Bordeaux Et De La Gironde*, 6 USPQ2d 1205, 1209 (TTAB 1988)("Applicant does not have a burden to support the Examining Attorney's position"); *Goyescas Corporation v. Editorial America, Inc.*, 174 USPQ 126 (TTAB 1972). Accordingly, to the extent that opposer's fraud claim is based on the fact that applicant failed to disclose the existence of the patent application to the Trademark Examining Attorney, the claim is not well-founded.

Although the Trademark Examining Attorney, in his first office action, did not specifically ask whether applicant had applied for any patents covering the subject guide rails, applicant nonetheless volunteered, albeit inaccurately, that no such patent applications had been filed. However, there is no basis in the record for concluding that this statement by applicant had any material effect on the Trademark Examining Attorney's examination of

this application. That is, we find it unlikely that the Trademark Examining Attorney would have issued a second office action requiring applicant to disclose any patent applications, but for applicant's statement that no such patents had been applied for. Indeed, the likelihood of such a scenario is belied by the fact that it is the Office's explicitly-stated policy and practice to avoid that sort of piecemeal prosecution of applications, and to make all appropriate refusals and requirements in the initial office action. *See* Trademark Manual of Examining Procedure §1105.01 (2nd Ed. 1997). Moreover, in applications involving de jure functionality issues, it does not appear to be the Office's standard examination practice to require the applicant to disclose the existence of patent applications, as opposed to issued patents. *See, e.g.,* Trademark Manual of Examining Procedure, §1202.03(a)(iii).

As noted above, in our adjudication of opposer's fraud claim, "[t]here is no room for speculation, inference or surmise and, obviously, any doubt must be resolved against the charging party." *Smith International, Inc. v. Olin Corp., supra*, 209 USPQ at 1044. Under this standard, and for the reasons discussed above, we cannot conclude that applicant's gratuitous but false statement to the Trademark Examining Attorney regarding the patent application had any material effect on the examination of this particular

application. Therefore, we find that applicant's president's statement that applicant had never applied for a patent, although false, was not fraudulent.

We turn next to opposer's claim that applicant is guilty of fraud and inequitable conduct by virtue of its failure to disclose and submit the 1983 Food Engineering article to the Trademark Examining Attorney, despite the Trademark Examining Attorney's requirement for submission of "any trade journal literature pertaining to its guide rails." We find that opposer has failed to carry its burden of proving, by clear and convincing evidence, that applicant has committed fraud with respect to that trade journal article.[15]

First, opposer's fraud claim fails because applicant's failure to submit the article to the Trademark Examining Attorney was not clearly material to the Trademark Examining Attorney's examination of the application. Although the article discloses certain functional advantages of applicant's guide rail, those advantages are also discussed in the advertising materials that applicant in fact submitted to the Trademark Examining Attorney.

For example, one of applicant's informational pieces submitted to the Trademark Examining Attorney (Exhibit 11 to the Ledingham declaration) includes the express statement

[15] The article is quoted in its entirety *supra* at pp. 26-27.

that applicant's guide rail "makes half-round obsolete." This statement encompasses, and is cumulative of, the more specific statements, in the Food Engineering article, comparing applicant's guide rail to plastic-covered ¾-inch stainless steel half-round rails, i.e., that applicant's guide rail costs less than such rail, is stronger than such rail, and is more sanitary than such rail. Likewise, the statement in the Food Engineering article that applicant's guide rail "can be formed to almost any radius without distortion of the rail shape or damage to the insert" is essentially duplicative of the statement in the mailer card submitted to the Trademark Examining Attorney (Exhibit 13 to Ledingham declaration), which states: "Simple rolling process allows rail to be contoured to practically any inside or outside radius without distortion."

Second, we cannot conclude on this record that applicant willfully concealed the 1983 Food Engineering article from the Trademark Examining Attorney, with fraudulent intent. When he was asked why the article was not submitted to the Trademark Examining Attorney in response to the office action, applicant's president testified as follows:

> **A**. I can't explain why. We submitted a compilation of what we believed to be accurate and illustrative pieces of information regarding our company that appeared in various

> trade journals, as was requested by the Patent and Trademark Office.
>
> **Q**. Was there any intent to conceal this document from the Patent and Trademark Office?
>
> **A**. Absolutely not. For the record, I don't keep a scrapbook of appearances or articles that were written either by us or other people regarding our product, nor does anyone else in our company for that matter.

(S. Ledingham Testimony Depo. II, pp. 16-17.)

We find that this explanation of why the 1983 Food Engineering article was not submitted to the Trademark Examining Attorney is plausible, and that it establishes the absence of any fraudulent intent on applicant's part. We are not persuaded by opposer's arguments to the contrary, all of which would require us to engage in impermissible "speculation, inference or surmise" in order to find the requisite fraudulent intent.

Opposer's third and final fraud claim in this case pertains to applicant's declaration in support of its application to register the ROUND guide rail configuration, in which applicant's president asserted that applicant was the owner of the configuration. Opposer contends that, as of the application filing date, applicant was a licensee and not the owner of the design sought to be registered, that applicant knew its ownership claim was false, and that the false ownership claim was material to the Office's allowance of the application.

Opposer's claim that applicant was a licensee and not the owner of the design is based, essentially, on the fact that, as of the application filing date, applicant was making monthly payments to applicant's president's parents Harold and Rita Ledingham pursuant to a 1985 "License Agreement" (and a 1989 amendment thereto) between applicant, as licensee, and Mr. and Mrs. Ledingham, as licensor.

In 1995, after the filing of the subject application and after commencement of this opposition proceeding, Harold and Rita Ledingham signed a nunc pro tunc assignment, effective June 1, 1985, of any rights they had in the ROUND guide rail. Opposer argues that the 1995 assignment document, which recites that Harold and Rita Ledingham orally assigned their rights in the guide rail design to applicant in 1985, is merely "post-hoc lawyering," in view of the fact that the royalty payments from applicant to Harold and Rita Ledingham continued after 1985. Throughout this period, notes opposer, applicant's parents had been characterizing these payments as "royalty" income on their tax returns, and applicant had been deducting the payments as business expenses on its own tax returns. According to opposer, such tax treatment is inconsistent with applicant's claim that all rights in the ROUND guide rail had been assigned to applicant in 1985. Opposer further argues that applicant's president, when he signed the application

declaration, was aware of the legal significance of a license agreement and therefore knew that his ownership claim in the application was false.

Although the 1985 Agreement, and the 1989 amendment thereto, refer to the agreement as a "License Agreement," and although the agreement and its amendment are couched in terms of a license arrangement, we nonetheless find that neither applicant nor Harold and Rita Ledingham, the parties to the agreement, actually intended or viewed the agreement as a licensing agreement. We further find that the 1995 nunc pro tunc assignment document accurately describes and states the nature of applicant's rights in the ROUND guide rail design as of the application filing date, vis-à-vis the rights of Harold and Rita Ledingham. We cannot conclude, on this record, that opposer has proven by clear and convincing evidence that applicant's president's claim of ownership of the ROUND guide rail design was fraudulent or even false.

Our conclusion that applicant was the owner of the ROUND guide rail as of the application filing date, and not merely a licensee, is based on the testimony of the witnesses with direct knowledge of the events at issue. First, and most significantly, it is clear from the discovery deposition testimony of Harold Ledingham (made of record in this case pursuant to the parties' stipulation) that the arrangement between applicant and applicant's

president's parents was not a license agreement. Harold Ledingham, who retired from the conveyor business in 1983, developed the ROUND guide rail design toward the end of his career, and he gave the design to his son Stuart in 1981.

Notwithstanding the language of any of the provisions of the 1985 agreement or the 1989 amendment thereto, Harold Ledingham at all relevant times has considered his son Stuart, applicant's president, as the owner of the guide rail design. He signed the 1985 agreement, the 1989 amendment thereto, and the 1995 assignment at his son's request, without reading them or understanding their legal significance:

> He [Stuart Ledingham] wanted it signed and I was agreeable to sign it. I wanted to give him – I wanted him to have the thing without any strings attached to it at all.

(H. Ledingham Disc. Depo., p. 22.);

> **Q**. As far as you were concerned, he could do what he wants with this design?
> **A**. Yeah, I give it to him. Body and soul.

(H. Ledingham Disc. Depo., p. 25.)

> **Q**. … Do you know who prepared that agreement [the 1985 Agreement]?
> **A**. I don't know. I imagine he had an attorney or somebody. I don't know.
> **Q**. Was this the type of agreement that you just signed or did you have any involvement in negotiating the terms of the agreement?

A. No, I think some of it – I didn't really have anything, I don't think, to – I just signed it because I thought that's what he wanted to do.

Q. When you gave the rights in this design to your son, did you do any negotiating for what you got in return or you left that up to him?

A. No, I left that up to him. I didn't want him giving me something if he didn't make any money on it.

Q. Whose idea was it to give you a royalty payment?

A. I don't know. I don't have any idea. I don't think I had anything to do with it.

Q. Do you recall a time after the agreement, Exhibit Number 36 in 1985, when you decided or Stuart decided that instead of a license agreement it would be an assignment of the interest in this design?

A. Say all that again.

Q. Okay. That question probably won't make much sense when it's read. Was there a time after this license agreement when you decided to assign your interest in the design rather than license it?

MR. OLSON [applicant's attorney]: I think the problem here is you're using legal terms that I don't think he distinguishes between assignment and licenses. As far as he's concerned, he gave the product to his son. I think that's about as far as you can get with it.

A. I really don't know what you mean. You're using two words there.

Q. Your attorney is correct. I am using legal terms on the document that you might not use in your mind.

A. Anything I signed was because he wanted it and I wanted him to have it. That's the whole thing in a nutshell.

Q. And that would be true from back in 1981 all the way to the 1995 agreement?

A. Yeah, until now.

Q. Okay. And the papering of the transaction was at Stuart's request?

A. Yeah. Yeah, this is his doings.

> **Q**. And as far as you were concerned, he could do whatever he wants with it from back in 1981 until the present?
> **A**. Right. And after that.

(H. Ledingham Disc. Depo., pp. 26-28.)

Likewise, Stuart Ledingham testified as follows about his agreement with his father concerning the ROUND guide rail design, and about the written agreements executed in 1985, 1989 and 1995:

> **Q**. In your view who owns the rights to … the round profile…?
> **A**. The round profile, we maintain that, we have rights to it, although the inception was by my father and it was given and granted to me prior to my beginning to try to sell it.
> **Q**. When you say it was given, granted to you, what's your basis for that belief?
> **A**. Personal conversation with my father.
> **Q**. What do you recall about that conversation?
> **A**. As he stated subsequent to this, that it was given to me, I could have it to do what I wanted with it. And we have acted from that point on as if we owned and maintained rights to the product.
> **Q**. Have you consummated any agreements with your father or your parents in connection with the round profile or other products?
> **A**. Yes, over the course of the last 15 years there have been several documents that have been written in an attempt to memorialize my decision to pass money to my father.
> **Q**. What was that decision to pass money to your father?
> **A**. I wanted to just provide him with some financial help. He was no longer employed, he didn't have a business, he was retired as of 1982 or '3, and as our business was growing and, as you would say, the beginning or the foundation was the Valu Guide round profile, as we started to get into the marketplace and

> make a little bit of money, as a thank you and the sonly duty toward the father was to help support him. And I had the ability to do that. So I asked my attorney at the time to determine a way that we could provide my father particularly, and my parents, with some money on a monthly basis.

(S. Ledingham Testimony Depo. I, pp. 54-56.) Stuart Ledingham told his attorney: "I'd like to give my parents some money. What's a good way to do that?" (S. Ledingham Testimony Depo. II, p. 101.) The attorney suggested a licensing agreement, and drafted the 1985 agreement. Stuart Ledingham read the agreement, but did not understand at the time what a license was, or its legal ramifications. He signed the agreement anyway and had his parents sign it as well, because "it achieved the point I was trying to accomplish, which was to send my parents some money." (S. Ledingham Testimony Depo. II, p. 102.)

Stuart Ledingham, through his corporation (applicant), began making payments to his parents in June 1985 in the amounts contemplated by the 1985 agreement, i.e., $600.00 per month from June 1985 through December 1987, and $720.00 per month from January 1988 through December 1988. The agreement provided that if neither party formally terminated the agreement prior to December 1988, it would continue from year to year on the same terms and conditions. Neither party terminated the agreement as of December 1988, and the agreement therefore continued in effect. However, the monthly payments applicant made to Mr. and Mrs. Ledingham

did not remain set at the rate established by the agreement. Rather, Stuart Ledingham "made arbitrary decisions from time to time to increase that [the payment amount] as I felt the ability of the company to make the payments and my parents' need." (S. Ledingham Discovery Depo., p. 58.) Stuart Ledingham testified in February 1998 that he has made payments to his parents every month from 1985 to date, and that he has no plans to stop making such payments.

In view of this testimony, the Board finds that applicant was the owner of the ROUND guide rail design at the time it filed the application for registration, notwithstanding the existence of the 1985 "license" agreement. It is unclear why the attorney representing applicant at that time suggested the license arrangement as the method by which Stuart Ledingham could send money to his parents. Opposer suggests, and applicant disputes, that there were tax advantages to applicant in such a licensing arrangement. It appears from the testimony of applicant's accountant, Gary Boudreau, that any such tax advantages to applicant would be legally immaterial, from a tax law standpoint. In any event, the Board has neither the expertise nor the jurisdiction to determine whether the "license" arrangement between applicant and applicant's president's parents was appropriate under the tax laws.

For purposes of trademark law, however, we conclude that whatever the agreement might have been called, neither applicant, the putative licensee, nor Mr. and Mrs. Ledingham, the putative licensors, regarded or treated the agreement as a license. It is clear that Harold Ledingham neither claimed nor exercised any right to control applicant's use of the guide rail design. Rather, he testified that he gave the design to his son in 1981 "body and soul," "without any strings attached to it at all." Nothing in the record suggests that applicant has ever treated the guide rail design as anything but its own sole property. Applicant, not Harold and Rita Ledingham, has exercised control over the nature and quality of the ROUND guide rails, and it accordingly is applicant, not Harold and Rita Ledingham, that is the owner of the configuration claimed as a mark.

Moreover, we find Stuart Ledingham's explanation for the agreement, i.e., that he merely wanted a way to send money to his parents every month, to be credible. This is especially so in view of the fact that, since October 1990, the amounts paid to Mr. and Mrs. Ledingham every month have greatly exceeded the $720.00 per month that applicant was obligated, under the terms of the agreement, to pay. Indeed, by the time the trademark application was filed in February 1993, applicant was paying Mr. and Mrs. Ledingham

$1500.00 per month, over double the "royalty" rate set by the agreement. Clearly, although the agreement was called a "license" agreement, and although the monthly payments were called "royalties," this was not a license agreement and the monthly payments were not license royalties.

Thus, we find that applicant's claim, in the application declaration, that it is the owner of the guide rail design is not false, and therefore not fraudulent.[16] Opposer's fraud claim based on the application declaration's assertion of ownership of the design, like its fraud claims based on applicant's non-disclosure of the patent application and the 1983 trade journal article, have not been proven, and accordingly are dismissed.

However, because we have found that applicant's ROUND, FLAT and TEE guide rail designs are de jure functional, each

[16] Moreover, even if the ownership claim in the application declaration were deemed to be technically false, there is no clear and convincing evidence in the record that applicant's president, when he made the claim, knew it was false and was intending to deceive the Office. Rather, it is reasonable to conclude from the evidence that he did not understand the technical legal effect of the "license" agreement on his company's claim of ownership of the design in question, and that the claim therefore was not fraudulent. *Cf. Metro Traffic Control v. Shadow Network Inc.*, 104 F.3d 336, 41 USPQ2d 1369 (Fed. Cir. 1997).

of the three oppositions is sustained on that ground. Registration to applicant is refused in each application.

Decision: Opposition Nos. 94,922, 94,937 and 94,946 are sustained.

R. F. Cissel

T. J. Quinn

C. M. Bottorff

Administrative Trademark Judges
Trademark Trial and Appeal Board